Newfoundland Labrador

Intergovernmental Affairs Secretariat

Annual Report 2007-2008

Message from the Minister

As Minister for Intergovernmental Affairs, I am pleased to present the 2007-2008 Annual Report of the Intergovernmental Affairs Secretariat (IGAS), which details the activities of the Secretariat from April 1, 2007 through March 31, 2008. This report was prepared under my direction and I am accountable for the results reported.

The Secretariat is focused on the creation, coordination and review of policy that affects the Province's interests in intergovernmental matters. We have a legislated responsibility to be a party to the negotiation and signing of all intergovernmental agreements. The Secretariat also acts as the point of entry for the federal government where no analogous provincial department exists, and it leads the Province's efforts to promote and diversify operations at 5 Wing Goose Bay.

2007-2008 was a busy year in which the Secretariat worked closely with provincial departments and sovereign governments to move forward on its mandate. The Secretariat played lead and partnership roles to advance the Province's interests on a range of intergovernmental issues. Key activities included meetings of the Council of the Federation, First Ministers, the Conference of New England Governors and Eastern Canadian Premiers, the Council of Atlantic Premiers, Atlantic Cabinets, the Climate Change Adaptation Conference, and the South Eastern United States – Canadian Provinces' Alliance. For each meeting, IGAS was responsible for preparing and coordinating the development of briefing materials, and providing policy support and advice to the Premier. In addition to supporting the Premier, the Secretariat continued to offer strategic advice and logistical assistance to me, as Minister for Intergovernmental Affairs, and other Cabinet Ministers in relation to meetings and negotiations with the federal government and the provinces and territories, and with representatives of international governments.

March 31, 2008 also marks the end of the reporting period covered by IGAS' 2006-2008 Activity Plan. IGAS set ambitious two-year goals in 2006 and has worked to ensure they are met. Over the 2006-2008 period we have fulfilled our goals on 5 Wing Goose Bay, federal presence in the province and the Premier's participation in the Council of the Federation.

The year ahead will provide many challenges and opportunities for the Secretariat as the Province participates in a wide range of intergovernmental meetings and negotiations. I look forward to meeting these challenges and capitalizing on opportunities to advance the Province's interests. I would like to acknowledge the significant contribution made by my predecessor, John Ottenheimer, who served as the Minister for Intergovernmental Affairs for the first half of the reporting period.

Tom Hedderson

Tom Hedderson, MHA
Minister for Intergovernmental Affairs and
Minister Responsible for the Volunteer and Non-Profit Sector

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1.0 Overview of the Intergovernmental Affairs Secretariat

The Intergovernmental Affairs Secretariat (the Secretariat or IGAS) leads the formulation of government's intergovernmental policies and strategies and monitors and coordinates interdepartmental initiatives to ensure their consistent application.

Vision
The vision of the Secretariat is of a province which is recognized as making an important contribution to a strong and united Canada and which is treated equitably within the federation.

Mission
By 2011, the Secretariat will have promoted and represented the province's interests within Canada and internationally to maximize benefits to Newfoundland and Labrador.

Mandate
The mandate of the Secretariat is to:

- coordinate all policies, programs and activities of the government of the province and its agencies in relation to a sovereign government and its agencies;
- continually review all policies, programs and activities of the government of the province and its agencies in relation to a sovereign government and its agencies, all intergovernmental agreements, and all relevant legislation pertaining to those policies, programs, activities and agreements;
- be a party to the negotiation of all proposed intergovernmental agreements;
- promote the military diversification and long-term operation of 5 Wing Goose Bay;
- act as the point of entry for the federal government where no analogous provincial department exists; and
- take necessary action to initiate or maintain intergovernmental co-operation between the Province and a sovereign government.

The Secretariat's lines of business are:

Intergovernmental policy formulation and advice: IGAS is responsible for monitoring and analyzing intergovernmental dimensions of social, economic, resource and fiscal policy matters in order to formulate and provide policy advice on the development of government's intergovernmental strategy and agenda.

Promotion of the Province's interests: IGAS attends and provides support for bilateral, multilateral, regional and international intergovernmental meetings and conferences to present and promote Newfoundland and Labrador's positions on matters of importance to the Province; and promotes the Province's interests by assisting departments in their participation in intergovernmental meetings and negotiations, and their negotiation of intergovernmental agreements.

Support and coordination: IGAS coordinates and provides support for interdepartmental initiatives that have intergovernmental implications.

The Secretariat supports the Premier in his obligations to First Ministers' Meetings, the Council of the Federation, the Council of Atlantic Premiers, the Conference of New England Governors and Eastern Canadian Premiers and other Premiers' meetings as are deemed necessary. IGAS is staffed by 14 people (not including the offices of the Minister or the Provincial Representative in Ottawa). It is directed by the Deputy Minister and the Assistant Deputy Minister and assisted by three professional support staff. The Secretariat comprises two divisions:

Social and Economic Policy: Policy formulation derives from an ongoing review and analysis of all intergovernmental issues relating to social and economic matters. These issues include education, immigration, labour market programs, health, social services, women's policy, housing, justice, internal and international trade, industry and economic development, transportation/infrastructure, and national defence. Its staff complement is a female director and three male analysts.

Resource and Fiscal Policy: Policy formulation derives from an ongoing review and analysis of all intergovernmental issues relating to constitutional issues, fiscal and resource policy matters. These issues include fisheries and oceans, agriculture, environment, tourism, parks, forestry, energy, mining, wildlife, crown lands and fiscal transfers and other fiscal arrangements. It is also responsible for the identification and analysis of the Province's intergovernmental priorities. Its staff complement is a female director, two male analysts and a female analyst.

IGAS is assisted by a female Communications Specialist and three female executive assistants to the Minister, Deputy Minister and Assistant Deputy Minister respectively. The two divisions share the assistance of a female administrative assistant.

Financial information for the Secretariat can be found in Section 7.0. The Ottawa Office is funded through the Secretariat, but is not part of the Secretariat's organizational structure and reports directly to the Office of the Premier.

2.0 Key Accomplishments and Priorities

In 2007-2008, IGAS undertook partnership and lead roles to advance the Province's interests in a range of intergovernmental fora, both multilaterally and bilaterally. Key accomplishments and priorities focused on support to the Premier and Minister for Intergovernmental Affairs in their meetings and negotiations with the federal government and the provinces and territories.

Federal Provincial Relations

The relationship between the provincial and federal government faced challenges during 2007-2008, primarily because of the federal government's unfulfilled commitment to exclude non-renewable resource revenues from the Equalization Formula, detailed below. However, despite these challenges, the normal business of the Province's relationship with the federal government continued. During 2007-2008 the Province signed approximately 47 intergovernmental agreements with the federal government.

Fiscal Imbalance

On June 12, 2007, the House of Commons passed the 2007 Budget Implementation Act, which implemented the new Equalization formula. The components of this new formula include a cap on Equalization and the inclusion of non-renewable natural resource revenues in the formula,

effectively limiting the Province's ability to receive optimal payments through that program. This Bill also included a change in the Canada Social Transfer, moving it to a per capita cash transfer.

The federal government's approach to Equalization in Budget 2007 was inconsistent with the federal Conservative Party's 2006 commitment to exclude non-renewable resource revenue from the Equalization formula. In 2007-2008, IGAS supported government's advocacy efforts for the closure of the $10 billion value gap, verified by independent economists, between what NL would have received had the election commitment been fulfilled and what NL may now expect to receive. Alternatives pursued by the Province to close this value gap include the transfer of the federal government's 8.5% interest in the Hibernia Project and option to acquire a Net Profits Interest in the Hibernia Project to NL, a loan guarantee for development of the Lower Churchill and establishing a Canadian Oceans Agency in the province. In an exchange of letters with the federal government on this matter, there does not appear to be federal support for the Province's proposals; however, IGAS continues to support the Premier in Government's pursuit to close the value gap through all four measures.

Intergovernmental Agreements

In 2007-2008, the Province entered into approximately 47 new or renewed agreements with the federal government to provide a range of funding and services to the people of Newfoundland and Labrador, and 11 additional agreements not including the federal government. The *Intergovernmental Affairs Act* provides that the Minister for Intergovernmental Affairs or his or her designate shall be a party to the negotiations of each intergovernmental agreement and that each shall, before executed, be submitted to the Minister and shall be signed by the Minister or his or her designate. The Secretariat's consequent mandate is to: ensure that each agreement is consistent with the Province's intergovernmental policies and priorities; provide advice and information to the Minister, Premier and Cabinet about agreements with other jurisdictions; and support provincial departments in achieving their mandates through intergovernmental agreements. The Secretariat may provide support and advice to departments at a number of stages, from the formulation through the negotiation to the finalization of these agreements. The depth of the Secretariat's involvement varies depending on factors such as the department's need for support and the priority of the agreement under intergovernmental policy, but in all cases the Secretariat works with the relevant department on the penultimate draft as authority is sought to enter into the agreements.

Multilateral Fora

Regional:

The Council of Atlantic Premiers

Premiers established the Council of Atlantic Premiers (CAP) in 2000 to strengthen the economic competitiveness of the Atlantic provinces, improve the quality and cost-effectiveness of public services and promote the interests of the Atlantic provinces on national issues.

CAP held one formal meeting during the reporting period, on December 12, 2007, in Halifax. At this meeting, Premiers discussed the Atlantic Gateway, Atlantic Canada Transportation Strategy, Atlantic Energy Framework, promoting the Atlantic provinces, health and wellness, the 2010 Vancouver Olympic and Paralympic Games, rules and regulations for small to medium size enterprises, the impact of federal crime legislation and the strong Canadian dollar. CAP also met informally on January 11, 2008 prior to the First Ministers' Meeting.

IGAS led the development of the meeting agenda, in collaboration with Atlantic counterparts, and coordinated the preparation of briefing materials and advice to the Premier. IGAS also provided logistical support and policy and strategic advice to the Deputy Premier, who attended the meeting on behalf of the Premier.

Throughout the reporting period, IGAS continued to collaborate with the CAP Secretariat and Atlantic counterparts and coordinated provincial departments' efforts to implement the 2005-2008 CAP Action Plan on joint initiatives for regional cooperation.

For more information about the Council of Atlantic Premiers, you may visit the website at www.cap-cpma.ca.

The Meeting of Atlantic Cabinets

The first Meeting of Atlantic Cabinets was hosted by New Brunswick at Mount Allison University, January 17-18, 2008. The Premier and Ministers of Natural Resources, Health and Community Services, Transportation and Works, Innovation, Trade and Rural Development, Education and Fisheries and Aquaculture attended for Newfoundland and Labrador. At this inaugural meeting, Premiers and Ministers discussed innovation and economic progress, energy and the environment, demographics and educational attainment, and health promotion and wellness.

Premiers released an enhanced Atlantic Procurement Agreement and resolutions on literacy and health and wellness. Energy Ministers released the Atlantic Energy Framework.

IGAS led the development of the meeting agenda, in collaboration with Atlantic counterparts, and coordinated the preparation of advice and briefing materials to the Premier and attending Ministers. IGAS also provided logistical support and policy and strategic advice to the Premier and Ministers during the meeting.

For more information about the Meeting of Atlantic Cabinets, you may visit the website at www.cap-cpma.ca.

Pan-Canadian:
The Council of the Federation

The Province's commitment to the Council of the Federation is Strategic Issue #3 for the Secretariat, and covered in detail in Section 3: *Activities in 2007-2008*. For more information about the Council of the Federation, including the August 2007 and January 2008 communiqués, you may visit the website at www.councilofthefederation.ca.

First Ministers' Meeting

On January 11, 2008, Premier Williams and his colleagues met with the Prime Minister at his residence in Ottawa to discuss a broad range of topics including the economy, taxation, the strong Canadian dollar, Canada-U.S. relations, internal and international trade, research and development and productivity, post-secondary education, demographics and immigration, energy and the environment, Senate reform, Aboriginal issues, and labour shortages. There were no substantive outcomes from the discussion, and no immediate plans were announced for a future meeting. The Secretariat prepared the Premier's briefing materials and provided strategic advice and support to the Premier during the meeting.

Premiers' Meeting with Leaders of the National Aboriginal Organizations

On August 8, 2007, Premier Williams and his colleagues met in Moncton, NB, with the leaders of the National Aboriginal Organizations, to discuss economic development, education and skills, health, and women's issues. The Secretariat worked closely with the Department of Labrador and Aboriginal Affairs to provide strategic advice, relevant materials, and on-site support to the Premier.

Federal/Provincial/Territorial and Provincial/Territorial Meetings

In addition to the Premier's intergovernmental meetings, the Province participates in numerous Ministerial meetings and meetings of senior officials. These may be multilateral, involving the federal government and other provinces and territories, or bilateral, involving one other government. Some are long-term, established Ministerial or official groups; others are formed on an *ad hoc* basis to address a specific issue. The Secretariat's primary role is to provide advice regarding the Province's positions and interests. In a number of cases, Secretariat officials attended meetings with Ministers and departmental personnel.

In 2007-2008, the Secretariat contributed to numerous intergovernmental meetings. Ministers and department officials received timely analysis and information about the positions and policies of the federal and provincial governments having an impact on Newfoundland and Labrador in the areas of political (elections/executive/legislative), fiscal (budgets), and economic and social policies. IGAS provided advice to ensure consistency in the Province's positions and assistance to departments to negotiate and conclude intergovernmental agreements and prepare appropriate submissions to inform the Cabinet decision-making process.

International:

The Conference of New England Governors-Eastern Canadian Premiers

The Conference of New England Governors and Eastern Canadian Premiers (NEG-ECP) was established in 1973 to expand economic ties among the states and provinces; foster energy exchanges; advocate for environmental issues and sustainable development; and coordinate numerous policies and programs in such areas as transportation, forest management, tourism, small-scale agriculture, and fisheries.

The 31st Conference of the NEG-ECP was held from June 25-26, 2007, at the Rodd Brudenell River Resort, Prince Edward Island. Premier Pat Binns hosted the conference and co-chaired the meeting with Vermont Governor James Douglas. At the meeting, Premiers and Governors adopted resolutions addressing climate change, energy security and economic development, Canada-U.S. border crossing identity documents, demographic change, oceans management and recognition of the first permanent French settlement in America and Quebec City's 400th anniversary celebrations.

NL and Rhode Island also concluded a Memorandum of Understanding to assess the merits of a long-term purchase and sale agreement for the export of up to 200 megawatts of electricity from the Lower Churchill to Rhode Island, by 2015.

The Secretariat participated in the development of the meeting agenda, in collaboration with Eastern Canadian and New England counterparts, and coordinated the preparation of briefing materials and advice to Premiers and Governors. IGAS also provided logistical support and strategic advice to the Premier during the meeting.

For more information about the NEG-ECP, and to review the individual resolutions, you may visit the following websites: www.negc.org/premiers.html or www.cap-cpma.ca/

South Eastern United States – Canadian Provinces Alliance

In November 2007, seven Canadian provinces and six U.S. states founded the *South Eastern United States – Canadian Provinces Alliance*; a business focused forum intended to build and further develop the trade relationships between the jurisdictions. The Alliance was formally created with the signing of the *Joint Declaration Establishing the South Eastern United States – Canadian Provinces Alliance*. The Alliance comprises NL, MB, ON, QC, NB, NS and PEI, and from the U.S., Georgia, South Carolina, North Carolina, Tennessee, Mississippi and Alabama.

The Secretariat participated in the negotiation of the Alliance's Joint Declaration, signed by all jurisdictions in Montreal to formally establish the Alliance, and provided logistical support and on-site advice to the Minister of Innovation, Trade and Rural Development, who attended the inaugural meeting on behalf of the Premier.

Visiting International Dignitaries

Every year, many international dignitaries visit the province and meet with the Premier, the Minister for Intergovernmental Affairs, other Cabinet Ministers, and various government officials. While the Office of Protocol (Executive Council) advises on matters of protocol and organizes state and ceremonial events, the Secretariat supports the Premier and the Minister for Intergovernmental Affairs by undertaking research and providing strategic advice for such meetings. In 2007-2008, the Province hosted delegations from 14 foreign countries and international organizations.

3.0 Activities in 2007-2008

The strategic directions for which the Minister for Intergovernmental Affairs is responsible are:

5 Wing Goose Bay The desired outcome is to promote the military diversification and long-term operation of 5 Wing Goose Bay. This outcome supports the policy direction of Government as outlined in the 2007 and 2005 Throne Speeches.

Federal-Provincial Relations The desired outcome is to achieve the equitable treatment of Newfoundland and Labrador in the federation. This outcome supports the policy direction of Government as outlined in the 2008, 2007, 2005 and 2004 Throne Speeches and the Progressive Conservative Party Policy Platforms.

The following activities undertaken in 2007-2008 supported the achievement of these strategic directions.

Issue #1: 5 Wing Goose Bay

The Secretariat acts as lead provincial agency for matters related to defence; 5 Wing Goose Bay is a priority issue. Secretariat officials work closely with all provincial departments, federal officials in various departments, and the local community (e.g. the Town of Happy Valley – Goose Bay, the Goose Bay Citizen's Coalition and other groups and organizations as appropriate) to advance the future viability of military presence and training.

Goal: By 2008, the Secretariat will have worked with the federal government, the community and other provincial departments and agencies to promote the military diversification and long-term operation of 5 Wing Goose Bay, including attracting foreign military flight and other military training.

Objective: By 2008, the Secretariat will have worked with the federal government, the community and other provincial departments and agencies to promote the military diversification and long-term operation of 5 Wing Goose Bay, including attracting foreign military flight and other military training.

Measure: Strengthened provincial capacity to work with the community and the federal government.

Indicators	Activities in 2007-2008
Coordination of information sharing and advocacy activities with other provincial government departments and appropriate stakeholders;	The Premier and the Minister for Intergovernmental Affairs assisted with international marketing efforts by providing information to visiting dignitaries about training opportunities available at 5 Wing Goose Bay. The Minister for Intergovernmental Affairs attended meetings with and wrote letters to the federal Ministers of National Defence and Intergovernmental Affairs, advocating for the long-term operation and diversification of the base. IGAS supported the Minister for Intergovernmental Affairs in his briefings and tours of defence establishments in the province, including 5 Wing Goose Bay and CFS St. John's. The Secretariat provided strategic advice to the Premier and the Minister for Intergovernmental Affairs in support of eight written communications to federal representatives.
Regular briefings with relevant ministers and deputy ministers;	The Secretariat provided updates on defence issues in Canada and the province, as required, to the Minister for Intergovernmental Affairs and for weekly meetings of deputy ministers.
Meetings with community and stakeholder organizations	IGAS participated in meetings with defence stakeholders in the province including the Town of Happy Valley – Goose Bay, SERCO, the Union of National Defence Employees, the Institute for Environmental Monitoring and Research, the Goose Bay Airport Development Committee and the Goose Bay Citizens Coalition.

Issue #2: Federal Presence

The federal government's presence in Newfoundland and Labrador is important to the province's economy and place in Canada. Over the last two decades, federal employment in this province has

declined at a rate markedly higher than the national average and the province's share of federal executives is much less than its share of the national population. The Secretariat is responsible for advancing the province's interests in this matter with the federal government.

Goal: By 2008, the Secretariat will have worked to promote increased federal presence in the province.

Objective: By 2008, the Secretariat will have worked to promote increased federal presence in the province.

Measure: Promoted the need and opportunity for increased federal presence in the province.

Indicators	Activities in 2007-2008
Proposals have been advanced;	IGAS provided advice and analysis to Memorial University in its consideration of how the federal Treasury Board's Independent Panel on Non-Regulatory Labs could impact the province. IGAS provided support to the Premier and the Minister for Intergovernmental Affairs in their discussions with the federal government on implementing the proposed Canadian Oceans Agency in the province. IGAS continued to monitor and advocate for implementation of federal commitments to 5 Wing Goose Bay and CFS St. John's. IGAS has worked closely with provincial departments to identify strategic opportunities and develop possible approaches, including joint advocacy efforts.
The Secretariat will have continued monitoring statistical and factual data;	IGAS has met with the NL Federation of Labour and discussed statistical and factual data on the level of federal jobs within the province. The Secretariat assessed the implications of such federal presence issues as the federal creation of the Canada Revenue Agency call centre in Mount Pearl, the potential downsizing of the Canadian Forestry Service Office in Corner Brook and reported staff reductions by NAV Canada at the St. Anthony Airport. This work was utilized by the Minister for Intergovernmental Affairs in communications to the federal government on these matters. IGAS has monitored and analyzed reports by Statistics Canada on federal presence in the province.
Where direction has been provided, key actions of the strategy will have been implemented.	IGAS has continually promoted an increase in federal decision-making capacity in the province to ensure the quality of federal policy, and the level of employment, is improved.

Issue #3: Council of the Federation

In December, 2003, Canada's Premiers and Territorial Leaders formed the Council of the Federation (COF), for the purpose of revitalizing the Canadian federation and building a more constructive and cooperative federal system. In July, 2006, Premier Williams hosted the annual summer COF meeting and assumed the position of Chair until August 2007. New Brunswick Premier Shawn Graham also chaired the COF during the reporting period, assuming the Chair as of the August 2007 COF meeting in Moncton.

The Intergovernmental Affairs Secretariat is responsible for supporting the Premier's participation in the Council. This involves the preparation of briefing materials, advancing the Province's interests through the Council, and working with colleagues across the country to implement the Council's work plan as provided by Premiers.

Goal: By 2008, the Secretariat will have supported the promotion and advancement of the Province's interests within the Council of the Federation.

Objective: By 2008, the Secretariat will have supported the promotion and advancement of the Province's interests within the Council of the Federation.

Measure: Supported the promotion and advancement of the Province's interests within the Council of the Federation.

Indicators	Activities in 2007-2008
Secretariat will have supported the Premier in his obligations to the Council and his leadership of any pan-Canadian Council of the Federation initiatives.	The COF met four times in 2007-2008. The annual summer meeting was held on August 8-10, 2007 in Moncton NB where Premiers discussed issues related to energy, climate change and trade. At this meeting Premiers released the Council of the Federation's Energy Strategy, *A Shared Vision for Energy in Canada* along with a series of Energy Maps. Premier Williams acted as the lead Premier in the development and subsequent release of the strategy. Premiers also released *Climate Change: Leading Practices by Provincial and Territorial Governments in Canada*. The COF also held a number of working meetings during 2007-2008. Premiers met in Toronto on May 1, 2007 and on conference call August 2, 2007 to prepare for the annual summer meeting; in Ottawa on January 11, 2008 in advance of their meeting with Prime Minister Harper; in Vancouver on January 28 to discuss ongoing work related to internal trade; and on January 29 to attend a Climate Change Adaptation forum hosted by BC Premier Gordon Campbell. For each of the COF meetings, IGAS participated in the development of the meeting agenda, in collaboration with provincial and territorial colleagues, and prepared briefing materials and advice to the Premier, in consultation with departments. In addition to the Premier, IGAS also provided

	logistical support and on-site policy advice to the Deputy Premier who attended the August 2007 COF meeting, and Minister of Environment and Conservation, who attended the January 29 Climate Change Adaptation Conference. Throughout 2007-2008, the Secretariat also represented the Province on the Council of the Federation's Steering Committee and Senior Official's Committee.

4.0 Reporting on Goals – 2006-2008

March 31, 2008 marked the end of the reporting period covered by IGAS' 2006-2008 Activity Plan. Accordingly, the following information is provided to report on the two-year Goals that were established in 2006. The 2006-2008 IGAS Activity Plan can be located at: http://www.exec.gov.nl.ca/exec/iga/iga-ovr.htm

Issue #1: 5 Wing Goose Bay

The Province's strategic direction regarding 5 Wing Goose Bay is to promote its military diversification and long-term operation. The Province engaged in numerous activities to contribute to this direction, promoting the base with the federal government and with visiting foreign dignitaries. The Secretariat provides strategic advice on this matter and coordinates these activities for Government.

Goal: By 2008, the Secretariat will have worked with the federal government, the community and other provincial departments and agencies to promote the military diversification and long-term operation of 5 Wing Goose Bay, including attracting foreign military flight and other military training.
Measure: Worked with the federal government, the community and other provincial departments and agencies to advance the military diversification of 5 Wing Goose Bay, including attracting foreign military flight training, and other military training.

Goal Indicators	Activities - 2006-2008
Consultations with all relevant stakeholders.	IGAS participated in meetings with defence stakeholders in the province including the Town of Happy Valley – Goose Bay, SERCO, the Union of National Defence Employees, the Institute for Environmental Monitoring and Research, the Goose Bay Airport Development Committee and the Goose Bay Citizens Coalition.
Advocacy to the federal government.	The Premier and the Minister for Intergovernmental Affairs attended eight separate meetings with federal ministers, including two with the Minister of National Defence, during which they advocated for the long-term operation and diversification of the base.

	The Secretariat provided strategic advice to the Premier and the Minister for Intergovernmental Affairs in support of 14 written communications to federal representatives.
Facilitated provincial regulatory processes to accommodate objectives.	The Secretariat served as liaison for all matters involving 5 Wing, National Defence and provincial government departments. The Secretariat facilitated communications between 5 Wing and National Defence officials and the provincial government related to environmental monitoring and remediation, wildlife avoidance and impact mitigation, as well as land-use issues and public safety related to the Base's activities.
Coordinated interdepartmental activities.	The Secretariat provided regular briefings, in excess of quarterly briefings, and strategic advice to relevant ministers and deputy ministers, to ensure consistency in provincial policy and positions.

Issue #2: Federal Presence

All activities related to federal presence during the reporting period have contributed to the Province's strategic direction to achieve equitable treatment in the federation. The level of federal presence in a province or territory is a strong indicator of its treatment in the federation by the federal government. The Secretariat provides strategic advice on this matter and coordinates these activities for Government.

Goal: By 2008, the Secretariat will have worked to promote increased federal presence in the province.

Measure: Promoted the need and opportunity for increased federal presence in the province.

Goal Indicators	Activities - 2006-2008
Factual and statistical information is identified or developed.	Relevant factual and statistical information has been identified and reviewed, most notably the Harris Centre Report entitled *Federal Government Presence in Newfoundland and Labrador* released in 2006 and the report of Statistics Canada on federal government employment trends, released in January 2008.
A strategy to advance the case for improved federal presence is developed.	Building on our review of factual and statistical information, a strategy to advance the case for improved federal presence was developed in March 2007 and processes have been underway to implement this Strategy, including consultations with all line departments and agencies.
Representation is made to the federal government.	In a meeting with Prime Minister Harper in October, 2006, the Premier reiterated the expectation that the Province be treated equitably in terms of federal presence. Since that time, the respective Ministers for Intergovernmental Affairs have emphasized

	the need to increase federal presence in Newfoundland and Labrador in meetings with Ministers Gordon O'Connor (National Defence), Loyola Hearn (Fisheries and Oceans), and Michael Chong (Intergovernmental Relations), Rona Ambrose (Intergovernmental Affairs, President of the Privy Council) and Peter MacKay (National Defence). In addition to focusing on preserving and expanding existing federal presence, IGAS has sought to develop innovative opportunities for the establishment of federal positions and executive decision making power in Newfoundland and Labrador. IGAS and INTRD have worked in close collaboration on the development of a proposal for the creation of a Canadian Oceans Development Agency, to be headquartered in St. John's.

Issue #3: Council of the Federation

The COF is a consensus-based organization which encourages provincial/territorial collaboration and advances common positions to the federal government, such as the need for provincial/territorial involvement in the federal government's international relations and negotiations which affect provincial/territorial jurisdiction. Through the COF, the Province strives to achieve its equitable treatment in the federation, pursuant to its strategic direction. The Secretariat provides strategic advice on this matter and coordinates these activities for Government.

Goal: By 2008, the Secretariat will have supported the promotion and advancement of the Province's interests within the Council of the Federation.

Measure: Supported the promotion/advancement of the province's interests within the Council of the Federation.

Goal Indicators	Activities - 2006-2008
Hosted the annual Council of the Federation Conference.	The COF annual summer meeting was held from July 26-28, 2006, in Corner Brook and St. John's. For the meeting, the Secretariat led the development of the meeting agenda, in collaboration with provincial and territorial counterparts, coordinated the preparation of briefing materials and advice to Premiers, and planned the meeting logistics. IGAS also provided logistical support and strategic advice to the Premier during the summer meeting.
Chaired the Council of the Federation for 2006-07.	The Premier assumed the Chair of the COF 2006 Summer Meeting. Premier Williams chaired four COF meetings and conference calls during his term as Chair. The Secretariat led agenda development and provided strategic advice, logistical planning and logistical support for the COF

	annual summer meeting from July 26-28, 2006. Premier Williams also Chaired COF conference call meetings on October 31, 2006 and February 7, 2007, and a COF meeting on May 1, 2007. Throughout the year, the Secretariat chaired the COF Steering Committee and Senior Officials' Committee, which support the Premiers' agenda and activities.
Participation in the Council of the Federation.	In addition to the Province's participation in the COF as Chair for 2006-07, the Province participated in four COF meetings after relinquishing the Chair: The annual summer meeting on August 8-10, 2007 in Moncton, NB where Premiers discussed issues related to energy, climate change and trade. At this meeting Premiers released the Council of the Federation's Energy Strategy, A Shared Vision for Energy in Canada along with a series of Energy Maps. Premier Williams acted as the lead Premier in the development and subsequent release of the strategy. Premiers also released Climate Change: Leading Practices by Provincial and Territorial Governments in Canada. Premiers met on conference call August 2, 2007 to prepare for the annual summer meeting; in Ottawa on January 11, 2008 in advance of their meeting with Prime Minister Harper; in Vancouver on January 28, 2008 to discuss ongoing work related to internal trade; and on January 29, 2008 to attend a Climate Change Adaptation forum hosted by BC Premier Gordon Campbell. For each of the COF meetings, IGAS participated in the development of the meeting agenda, in collaboration with provincial and territorial colleagues, and prepared briefing materials and advice to the Premier, in consultation with departments. In addition to the Premier, IGAS also provided logistical support and on-site policy advice to the Deputy Premier who attended the August 2007 COF meeting, and Minister of Environment and Conservation, who attended the January 29, 2008 Climate Change Adaptation Conference. The Secretariat also represented the Province on the Council of the Federation's Steering Committee and Senior Official's Committee.
Support the Premier as lead on national initiatives of the Council of the Federation, where appropriate.	The COF Energy Committee, chaired by Premier Williams, was established during the COF summer meeting in Banff, in August, 2005. Premier Williams led the COF energy discussion at the 2006 Summer Meeting. At the annual summer meeting on August 8-10, 2007 in Moncton, NB, Premiers released the

	Council of the Federation's Energy Strategy, A Shared Vision for Energy in Canada along with a series of Energy Maps. Premier Williams acted as the lead Premier in the development and subsequent release of the strategy. At the 2006 COF Summer Meeting, Premier Williams also co-led COF's discussion of Global Pressures on Traditional Resource Industries. During his term as COF Chair, Premier Williams wrote the Prime Minister on behalf of the COF five times on a range of national issues including environmental assessment and transparency and accountability.

5.0 Opportunities and Challenges in 2008-2009

The Canadian intergovernmental environment is continually transforming as leadership and priorities change. In response to such changes, IGAS facilitates the Province's positioning on issues of specific and common concern to achieve the vision of a province which is recognized as making an important contribution to a strong and united Canada and which is treated equitably within the federation.

Relations with the Federal Government

In 2008-2009, Government will continue to strive for the goal of fairness within the Canadian Federation and will seek to ensure that the province receives its fair share of national programs. IGAS will also work with departments to ensure that ongoing collaborative federal-provincial efforts continue to be productive, such as the federal-provincial joint environmental assessment of the Lower Churchill Hydroelectric Project. Government will also continue to call upon the federal government to close the $10B value gap, and increase its presence in the province by allocating more federal headquarters and executive positions, with policy decision making powers, to Newfoundland and Labrador. Such an increase in federal presence would provide value to all Canadians and have a direct and important impact upon this province. The Secretariat will provide strategic advice and support to the Premier, the Minister for Intergovernmental Affairs and other Cabinet Ministers in these endeavours.

Obligations to Intergovernmental Fora

In 2008-2009, the Province will continue to work through organizations such as the Council of the Federation, Conference of New England Governors and Eastern Canadian Premiers and the Council of Atlantic Premiers, to advance key interests on a national and international scale. IGAS will support the Premier and the Minister for Intergovernmental Affairs as they participate in and discharge their obligations to these organizations. The Secretariat will develop, with other jurisdictions, the agenda and common briefing materials; develop and implement logistical arrangements related to the Province's participation; develop and produce relevant briefing materials, in consultation with other provincial departments; and provide strategic advice and on-site support during meetings. The Secretariat will also provide strategic advice to the Department of Innovation, Trade and Rural Development in its preparation for the first business focused meeting of

the South Eastern United States – Canadian Provinces Alliance, June 2008 in Savannah, Georgia. Following such meetings, IGAS will collaborate with provincial departments and agencies and other jurisdictions to implement Premiers' directions and report on their progress.

National Defence

Military presence is an important feature of the geography, economy and culture of Newfoundland and Labrador. In 2008-2009, the Minister will participate in a base brief and tour of 9 Wing Gander, after which he will have toured all defence establishments in the province, including 5 Wing Goose Bay and CFS St. John's.

In 2008-2009, IGAS will participate in and provide strategic advice to an interdepartmental working group led by the Department of Municipal Affairs to fulfill a 2007 Blueprint commitment to establish a memorial in Newfoundland and Labrador to honour soldiers who have served and sacrificed their lives in the Afghanistan mission. The working group will include representatives of the Royal Canadian Legion and the Military Family Resource Centre.

The Province will continue to hold the federal government accountable for its commitments to station a new Rapid Reaction Army Battalion and Unstaffed Aerial Vehicle Squadron at 5 Wing. IGAS will work with local stakeholders to promote related diversification opportunities at the base.

The Province will also hold the federal government to its commitment to establish at Canadian Forces Station (CFS) St. John's a new Territorial Defence Battalion for emergency response. The Secretariat will continue to monitor developments in the Department of National Defence consolidation project at CFS St. John's, which will replace the 16 military facilities located at the Pleasantville site.

Intergovernmental Agreements

IGAS will continue to carry out its legislated responsibilities pertaining to the negotiation and signing of intergovernmental agreements.

6.0 Contact the Intergovernmental Affairs Secretariat

Intergovernmental Affairs Secretariat
Government of Newfoundland and Labrador
7th Floor, East Block
Confederation Building
P.O. Box 8700
St. John's, Newfoundland and Labrador
A1B 4J6
Telephone: (709) 729-3164
E-mail: iga@gov.nl.ca
Website: http://www.exec.gov.nl.ca/exec/iga/iga-ovr.htm

7.0 Summary of Expenditures and Related Revenues

For the Year ending 31 March 2007 (Unaudited)*

	Actual $	Amended $	Original $
MINISTER'S OFFICE			
Salaries	240,751	241,300	226,300
Transportation and Communications	17,712	46,000	46,000
Supplies	3,771	7,000	7,000
Purchased Services	3,870	8,000	8,000
Total: Minister's Office	**266,104**	**302,300**	**287,300**
EXECUTIVE SUPPORT			
Salaries	446,735	536,600	551,600
Employee Benefits	140	1,000	1,000
Transportation and Communications	39,072	138,100	141,000
Supplies	8,630	16,800	16,000
Professional Services	3,322	13,500	13,500
Purchased Services	356,786	387,800	387,800
Property, Furnishings and Equipment	4,318	4,600	2,500
Grants and Subsidies	36,900	49,400	49,400
Revenue – Provincial	(97,384)	(143,700)	(143,700)
Total: Executive Support	**798,519**	**1,004,100**	**1,019,100**
POLICY ANALYSIS AND COORDINATION			
Salaries	502,558	642,300	642,300
Transportation and Communications	54,868	69,100	69,100
Total: Policy Analysis and Coordination	**557,426**	**711,400**	**711,400**
OTTAWA OFFICE			
Salaries	192,482	212,100	212,200
Employee Benefits	0	100	0
Transportation and Communications	22,079	35,000	35,000
Supplies	3,395	10,000	10,000
Professional Services	0	20,000	20,000
Purchased Services	53,740	85,000	85,000
Revenue – Provincial	(1,042)	0	0
Total: Ottawa Office	**270,654**	**362,200**	**362,200**
TOTAL: Intergovernmental Affairs Secretariat	**1,892,703**	**2,380,000**	**2,380,000**

* Source: Report on the Program Expenditures and Revenues of the Consolidated Revenue Fund for the year ended 31 March 2008. The Secretariat is not required to provide audited financial statements in its Annual Report.